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RUEHBJ/AMEMBASSY BEIJING PRIORITY 2544
RUEHBY/AMEMBASSY CANBERRA PRIORITY 2699
RUEHLO/AMEMBASSY LONDON PRIORITY 0537
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0834
RUEHUL/AMEMBASSY SEOUL PRIORITY 1721
RUEHKO/AMEMBASSY TOKYO PRIORITY 2604
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0585
RHEHNSC/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 KUALA LUMPUR 001050

SIPDIS

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TAGS: [PREL](#) [PGOV](#) [ECON](#) [ASEAN](#) [BM](#) [MY](#)

SUBJECT: MALAYSIAN VIEWS ON DECEMBER ASEAN SUMMITS

REF: KUALA LUMPUR 1024 - DEMARCHE ON BURMA CRACKDOWN

Classified By: Acting DCM Matt Matthews for reasons 1.4 (b and d).

¶1. (C) Summary: The Embassy collected Malaysian economic and political views of the December ASEAN summits from the Ministry of International Trade and Industry (MITI) and from the Institute of Strategic and International Studies (ISIS), a government-linked think-tank. According to MITI Deputy Secretary General Rebecca Fatima Sta Maria, Malaysia expected the ASEAN Leaders Summit to support the G-20's call for coordinated action to address the global financial crisis, and reiterate APEC's call to reject protectionism and to renew efforts to conclude Doha round. One of Malaysia's key goals was to see that the ASEAN Leaders agreed to move to implementation on the ASEAN economic agenda, Rebecca said, and regional free trade agreement will also be on the agenda, with emphasis on ASEAN-plus one and ASEAN-plus three deals. ISIS Assistant Director-General Stephen Leong told us ASEAN would discuss but not finalize the terms of reference for the Human Rights Body in the December summit. Leong said Malaysia welcomed the agreed move to two annual ASEAN summits, believing the more frequent meetings would make ASEAN more "results oriented." Malaysia would look for opportunities to join other ASEAN members to pressure Burma, Leong said, but would not support aggressive diplomatic moves. A senior Malaysian Foreign Ministry official confirmed press reports that Prime Minister Abdullah could miss the ASEAN summits, and said Deputy Prime Minister Najib might represent Malaysia. End Summary.

¶2. (SBU) Ministry of International Trade and Industry (MITI) Deputy Secretary General Rebecca Fatima Sta Maria told Econcouns November 25 that Malaysia expected ASEAN Leaders Summit would generate a statement supporting the G-20's call for coordinated action to address the global financial crisis, as well as a reiteration of the APEC Leaders call to reject protectionism and to renew efforts to conclude Doha round. The Leaders are also expected to state their support for expansion of the Asian Bond Fund created during the Asian Financial Crisis.

¶3. (SBU) Rebecca said Malaysia was hopeful that the ASEAN Charter would be ready to sign, and that would impact on the future structure of ASEAN secretariat. Rebecca thought it was likely that ASEAN would move to a "two summits," or an "ASEAN only leaders retreat" and a larger summit format that could include the various "ASEAN plus" observers to deal with the expanded agenda covering socio-cultural, political and economic work. She added that the ASEAN economic blueprint, the road map and score card process was already in place so

one of Malaysia's key goals was to see that the ASEAN Leaders agreed to move to implementation on the economic agenda even though some members like Thailand had yet to sign. ASEAN needed to sign the intra-ASEAN investment agreement and agree on an expanded package for services liberalization within ASEAN.

¶4. (SBU) Regional Free Trade Agreements (FTAs) will be on the agenda, according to Rebecca, including the trade-in-goods agreement with India, the goods and investment agreement with China, and the ASEAN-Australia-New Zealand FTA. From MITI's point of view, Rebecca said, these were the priority agreements that required action.

¶5. (SBU) Beyond the ASEAN-plus one deals, Rebecca said MITI tended to focus on ASEAN-plus three because it was viewed as manageable. The Japanese continued to push hard on energizing the ASEAN plus six, but MITI remained lukewarm. MITI also considered FTAAP as too difficult and long-term in nature to deserve much time at the moment, Rebecca said, but she added that Deputy Prime Minister Najib had taken a renewed interest in the FTAAP following his attendance at the APEC Leaders Summit and had already requested MITI to prepare new briefs on FTAAP and the Trans Pacific Partnership initiative for his consideration.

¶6. (SBU) Polcouns received comments on Malaysia's political views of the ASEAN summits in a November 26 meeting with Stephen Leong, Assistant Director-General of the Institute of Strategic and International Studies (ISIS), a government-linked think-tank that acts as a foreign policy

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advisor to Malaysian leaders. (Note: Foreign Ministry officials did not make themselves available to meet on this subject. End Note.) Leong stated that Malaysia was focused on the coming into force of the ASEAN Charter, which Kuala Lumpur viewed as seminal achievement for the regional body. Malaysia anticipated work on the terms of reference (TOR) for the Human Rights Body, but Leong stated the TOR would not be finalized during the December summits; instead, ASEAN would reach final agreement on the TOR sometime in 2009.

¶7. (SBU) Leong said that Malaysia welcomed the agreed move to two annual ASEAN summits, one for ASEAN itself and the second for the "ASEAN plus" summits. Malaysia believed that two annual summits would make ASEAN more "results oriented," as summit meetings motivated the countries to make progress on issues and demonstrate achievements. Leong stated that Malaysia welcomed the U.S. to join the East Asia Summit, and hoped this would happen in the future.

¶8. (C) On Burma, Leong said Malaysia would "look for opportunities to join other ASEAN members, like Singapore and Indonesia, to put pressure on the Burmese regime," but Malaysia would not support aggressive diplomatic moves. Malaysia held a generally positive view of Burma's 2010 political transition plan. Polcouns argued that currently there was no evidence of any positive political transition in Burma (reftel).

¶9. (C) In a November 28 meeting with Polcouns, Foreign Ministry Senior Under Secretary (Americas, EU) Zainuddin Yahya confirmed press reports that Prime Minister Abdullah was considering not attending the ASEAN summits due to pressing legislative business at home related to Abdullah's outstanding reform bills. If that is the case, Deputy Prime Minister Najib Tun Razak likely would represent Malaysia at the summits, Zainuddin said.

KEITH